



DEPARTMENT OF DEFENSE

GENERAL SERVICES ADMINISTRATION

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

48 CFR Parts 22, 25, and 52

[FAC 2005-97; FAR Case 2018-001; Docket No. 2018-0004;

Sequence No. 1]

RIN 9000-AN60

Federal Acquisition Regulation; Trade Agreements Thresholds

AGENCIES: Department of Defense (DoD), General Services Administration (GSA), and National Aeronautics and Space Administration (NASA).

ACTION: Final rule.

SUMMARY: DoD, GSA, and NASA are issuing a final rule amending the Federal Acquisition Regulation (FAR) to incorporate revised thresholds for application of the World Trade Organization Government Procurement Agreement and the Free Trade Agreements, as determined by the United States Trade Representative.

DATES: Effective Date: **[Insert date of publication in the FEDERAL REGISTER].**

FOR FURTHER INFORMATION CONTACT: Ms. Cecelia L. Davis, Procurement Analyst, at 202-219-0202, for clarification of content. For information pertaining to status or publication schedules, contact the Regulatory

Secretariat Division at 202-501-4755. Please cite FAC 2005-97, FAR Case 2018-001.

SUPPLEMENTARY INFORMATION:

I. Background

Approximately every two years, the thresholds for the World Trade Organization Government Procurement Agreement (WTO GPA) and the free trade agreements (FTAs) are adjusted according to predetermined formulae under the agreements. On December 11, 2017 (82 FR 58248), the United States Trade Representative published new procurement thresholds. These thresholds became effective on January 1, 2018. The United States Trade Representative has specified the following new thresholds:

Trade Agreement	Supply Contract (equal to or exceeding)	Service Contract (equal to or exceeding)	Construction Contract (equal to or exceeding)
WTO GPA	\$180,000	\$180,000	\$6,932,000
FTAs:			
Australia FTA	80,317	80,317	6,932,000
Bahrain FTA	180,000	180,000	10,441,216
CAFTA-DR (Costa Rica, Dominican	80,317	80,317	6,932,000

Republic, El Salvador, Guatemala, Honduras, and Nicaragua)			
Chile FTA	80,317	80,317	6,932,000
Colombia FTA	80,317	80,317	6,932,000
Korea FTA	100,000	100,000	6,932,000
Morocco FTA	180,000	180,000	6,932,000
NAFTA:			
–Canada	25,000	80,317	10,441,216
–Mexico	80,317	80,317	10,441,216
Oman FTA	180,000	180,000	10,441,216
Panama FTA	180,000	180,000	6,932,000
Peru FTA	180,000	180,000	6,932,000
Singapore FTA	80,317	80,317	6,932,000
Israeli Trade Act	50,000	—	—

II. Discussion and Analysis

This final rule implements the new thresholds in FAR subpart 25.4, Trade Agreements, and other sections in the FAR that include trade agreements thresholds (i.e., 22.1503, 25.202, 25.603, 25.1101, and 25.1102).

In addition, changes are required to the provision at FAR 52.204-8, Annual Representations and Certifications, and clause at FAR 52.222-19, Child Labor—

Cooperation with Authorities and Remedies, with conforming changes to the clause dates in 52.212-5, Contract Terms and Conditions Required to Implement Statutes or Executive Orders—Commercial Items, and 52.213-4, Terms and Conditions—Simplified Acquisitions (Other Than Commercial Items).

III. Publication of this final rule for public comment is not required by statute

"Publication of proposed regulations," 41 U.S.C. 1707, is the statute which applies to the publication of the FAR. Paragraph (a)(1) of the statute requires that a procurement policy, regulation, procedure, or form (including an amendment or modification thereof) must be published for public comment if it relates to the expenditure of appropriated funds, and has either a significant effect beyond the internal operating procedures of the agency issuing the policy, regulation, procedure, or form, or has a significant cost or administrative impact on contractors or offerors. This final rule is not required to be published for public comment, because it only adjusts the thresholds according to predetermined formulae to adjust for changes in economic conditions, thus maintaining the status quo, without significant effect

beyond the internal operating procedures of the Government.

IV. Applicability to Contracts at or Below the Simplified Acquisition Threshold and for Commercial Items, Including Commercially Available Off-the-Shelf Items

This rule amends the FAR to revise thresholds for application of the WTO GPA and the FTAs. The revisions do not add any new burdens or impact applicability of clauses and provisions at or below the simplified acquisition threshold, or to commercial items.

V. Executive Orders 12866 and 13563

Executive Orders (E.O.s) 12866 and 13563 direct agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). E.O. 13563 emphasizes the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility. This is not a significant regulatory action and, therefore, was not subject to review under Section 6(b) of E.O. 12866, Regulatory

Planning and Review, dated September 30, 1993. This rule is not a major rule under 5 U.S.C. 804.

VI. Executive Order 13771

This rule is not subject to E.O. 13771, Reducing Regulation and Controlling Regulatory Costs, because this rule is not a significant regulatory action under E.O. 12866.

VII. Regulatory Flexibility Act

The Regulatory Flexibility Act does not apply to this rule, because this final rule does not constitute a significant FAR revision within the meaning of FAR 1.501-1, and 41 U.S.C. 1707 does not require publication for public comment.

VIII. Paperwork Reduction Act

The Paperwork Reduction Act (44 U.S.C chapter 35) does apply to this final rule, since the rule affects the prescriptions for use of the certification and information collection requirements in the provisions at 52.225-4 and 52.225-6 and the clauses at FAR 52.225-9, 52.225-11, 52.225-21, and 52.225-23, currently approved under OMB Control Number 9000-0024, entitled "Buy American Act, Trade Agreements, and Duty-Free Entry." The impact, however, is expected to be negligible, because the threshold changes are in line

with inflation and maintain the status quo. As a result, there is no change to the estimated burden.

List of Subjects in 48 CFR Parts 22, 25, and 52

Government procurement.

Dated: January 18, 2018

William F. Clark,
Director,
Office of Government-wide
Acquisition Policy,
Office of Acquisition Policy,
Office of Government-wide Policy.

Therefore, DoD, GSA, and NASA amend 48 CFR parts 22, 25, and 52 as set forth below:

1. The authority citation for 48 CFR parts 22, 25, and 52 continues to read as follows:

Authority: 40 U.S.C. 121(c); 10 U.S.C. chapter 137; and 51 U.S.C. 20113.

**PART 22—APPLICATION OF LABOR LAWS TO GOVERNMENT
ACQUISITIONS**

22.1503 [Amended]

2. Amend section 22.1503 by—

a. Removing from paragraph (b) (3) “\$77,533” and adding “\$80,317” in its place; and

b. Removing from paragraph (b) (4) “\$191,000” and adding “\$180,000” in its place.

PART 25—FOREIGN ACQUISITION

25.202 [Amended]

3. Amend section 25.202 by removing from paragraph (c) “\$7,358,000” and adding “\$6,932,000” in its place.

4. Amend section 25.402 by revising the table in paragraph (b) to read as follows:

25.402 General.

* * * * *

(b) * * *

Trade Agreement	Supply Contract (equal to or exceeding)	Service Contract (equal to or exceeding)	Construction Contract (equal to or exceeding)
WTO GPA	\$180,000	\$180,000	\$6,932,000
FTAs:			
Australia FTA	80,317	80,317	6,932,000
Bahrain FTA	180,000	180,000	10,441,216
CAFTA-DR (Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, and Nicaragua)	80,317	80,317	6,932,000
Chile FTA	80,317	80,317	6,932,000
Colombia FTA	80,317	80,317	6,932,000
Korea FTA	100,000	100,000	6,932,000
Morocco FTA	180,000	180,000	6,932,000
NAFTA:			
–Canada	25,000	80,317	10,441,216
–Mexico	80,317	80,317	10,441,216
Oman FTA	180,000	180,000	10,441,216
Panama FTA	180,000	180,000	6,932,000
Peru FTA	180,000	180,000	6,932,000
Singapore FTA	80,317	80,317	6,932,000
Israeli Trade Act	50,000	—	—

25.603 [Amended]

5. Amend section 25.603 by removing from paragraph (c) (1) "\$7,358,000" and adding "\$6,932,000" in its place.

25.1101 [Amended]

6. Amend section 25.1101 by—

- a. Removing from paragraph (b) (1) (i) (A) "\$191,000;" and adding "\$180,000;" in its place;
- b. Removing from paragraphs (b) (1) (iii) and (iv) and (b) (2) (iii) and (iv) "\$77,533" and adding "\$80,317" in its place; and
- c. Removing from paragraphs (c) (1) and (d) "\$191,000" and adding "\$180,000" in its place.

25.1102 [Amended]

7. Amend section 25.1102 by—

- a. Removing from the introductory text of paragraphs (a) and (c) "\$7,358,000" and adding "\$6,932,000" in its place;
- b. Removing from paragraph (c) (3) "\$7,358,000" and "\$10,079,365" and adding "\$6,932,000" and "\$10,441,216" in their places, respectively; and
- c. Removing from paragraph (d) (3) "\$7,864,000" and "\$10,079,365" and adding "\$6,932,000" and "\$10,441,216" in their places, respectively.

PART 52—SOLICITATION PROVISIONS AND CONTRACT CLAUSES

8. Amend section 52.204-8 by—

a. Revising the date of the provision; and

b. Removing from paragraphs (c)(1)(xx)(C) and (D)
"\$77,533" and adding "\$80,317" in its place.

The revision reads as follows:

52.204-8 Annual Representations and Certifications.

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ANNUAL REPRESENTATIONS AND CERTIFICATIONS (JAN 2018)

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9. Amend section 52.212-5 by revising the date of
the clause and paragraph (b)(26) to read as follows:

**52.212-5 Contract Terms and Conditions Required To
Implement Statutes or Executive Orders—Commercial
Items.**

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CONTRACT TERMS AND CONDITIONS REQUIRED TO IMPLEMENT STATUTES OR
EXECUTIVE ORDERS—COMMERCIAL ITEMS (JAN 2018)

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(b) * * *
___ (26) 52.222-19, Child Labor—Cooperation
with Authorities and Remedies (JAN 2018) (E.O. 13126).

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10. Amend section 52.213-4 by revising the date
of the clause and paragraph (b)(1)(ii) to read as
follows:

**52.213-4 Terms and Conditions—Simplified Acquisitions
(Other Than Commercial Items).**

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TERMS AND CONDITIONS—SIMPLIFIED ACQUISITION (OTHER THAN COMMERCIAL
ITEMS) (JAN 2018)

* * * * *

(b) * * *

(1) * * *

(ii) 52.222-19, Child Labor—Cooperation
with Authorities and Remedies (JAN 2018) (E.O. 13126)
(Applies to contracts for supplies exceeding the micro-
purchase threshold).

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11. Amend section 52.222-19 by—

a. Revising the date of the clause;

b. Removing from paragraph (a)(3) "\$77,533"
and adding "\$80,317" in its place; and

c. Removing from paragraph (a)(4) "\$191,000"
and adding "\$180,000" in its place.

The revision reads as follows:

**52.222-19 Child Labor—Cooperation with Authorities and
Remedies.**

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CHILD LABOR—COOPERATION WITH AUTHORITIES AND REMEDIES (JAN 2018)

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[FR Doc. 2018-01199 Filed: 1/23/2018 8:45 am; Publication Date: 1/24/2018]